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6/2/12 (08/09)

FILE

**UMVOTI
LOCAL MUNICIPALITY-UMASIPALA
WASE MVOTI
PLAASLIKE MUNICIPALITEIT**

ANNUAL REPORT

2008/2009



GENERAL INFORMATION

MAYOR

Ald PMS Ngubane

GRADING OF THE LOCAL AUTHORITY GRADE 6

BANKERS

ABSA BANK, GREYTOWN

AUDITORS

AUDITOR-GENERAL

REGISTERED OFFICE

41 BELL/DINUZULU STREET
GREYTOWN
PO BOX 71
GREYTOWN
3250

MUNICIPAL MANAGER (ACTING)

S B NDABANDABA

CHIEF FINANCIAL OFFICER

SB NDABANDABA (LIMFO)

MANAGER ENGINEERING SERVICES

SN MALINGA

MANAGER CORPORATE SERVICES

NE DLAMINI

MANAGER PROTECTION SERVICES

KE SIMELANE

We are to celebrate the visit of His Majesty King Goodwill for more than three times when he comes to officiate at the Town Hall named after him for it is where His Majesty's Great Grand Father King Dinuzulu was tried for High Treason.

The Mayoral Project will see most of our people benefiting this year.

We shall strive to uphold the standard of keeping our achievement as we became number four in the Greenest Town Competition Award and the Best Waste Disposal site in KwaZulu Natal.

The Umvoti Municipality welcomes the 2010 Tourist to the area of peace and prosperity where the people come first.

THANK YOU

Community participation in the IDP and Budget process is encouraging, however, due to a vacancy in the IDP Managers Position this has not been achieved to the extent desired although Council continues to encourage interested organizations and persons to participate in the process so as to ensure the attitude of belonging is nurtured.

Most of the critical positions were filled during the year, amongst the positions filled were that of a qualified Fleet Manager, Supply Chain Manager and Human Resource Manager to attend to the duties that were lacking for a number of years. The newly appointed personnel together with the existing key personnel strived to achieve its objective and goals in terms of the needs of the community expressed in the IDP and Budget Engagements.

We are proud to be one of the Municipalities in the KwaZulu-Natal Province that have received an unqualified Audit report from the Auditor General for the year 30 June 2009. This was the result of hard work from the Budget and Treasury department that ensured our reporting complies with the new accounting standards as well as other departments that assisted in doing the right things at the right time. Various queries regarding compliance issues (mostly) were raised by the Auditor General that has to be addressed during 2008/2009 financial year. This has been achieved over and above the above challenges.

The Municipality is still faced with challenges in terms of basic infrastructure and rural development due to lack of funds, staff shortages and to topography. Local Economic Development and special programs to address the needy, poor and unemployed communities still needs to be addressed.

I WISH TO PLACE ON RECORD MY SINCERE THANKS AND APPRECIATION TO HIS WORSHIP THE MAYOR AND COUNCIL FOR THE SUPPORT THEY HAVE GIVEN TO THE ENTIRE MUNICIPAL TEAM.

I thank all our stakeholders, strategic partners within the community, our service providers, the District Municipality, National and Provincial Government for their assistance and the role they have played during the year in the continued growth of Umvoti, your support and guidance is much appreciated.

To the entire Umvoti Community who walked with us in community developmental challenges to achieve the best with limited resources, thank you for your patience and look forward to serving you and improving our delivery to you.

Thank you

1.3.3 DEMOGRAPHIC PROFILE

- Population by ward

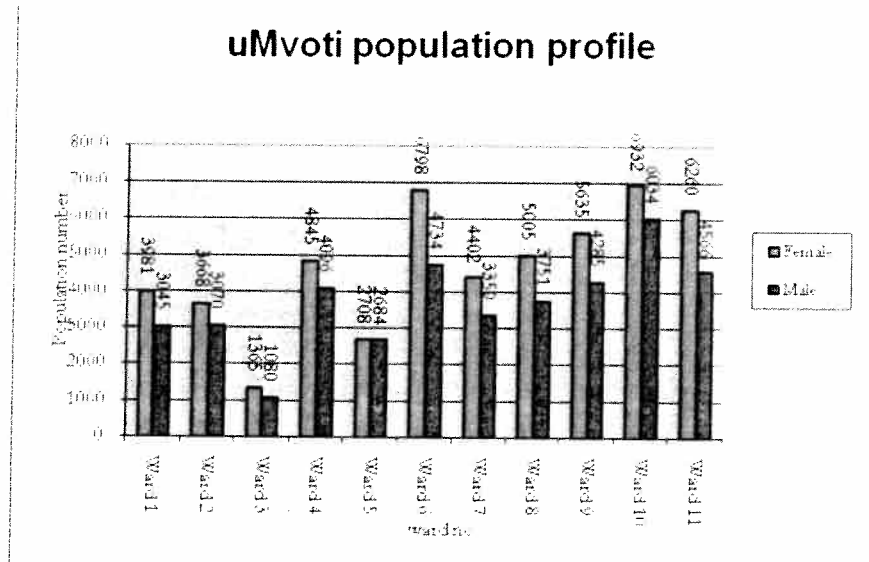


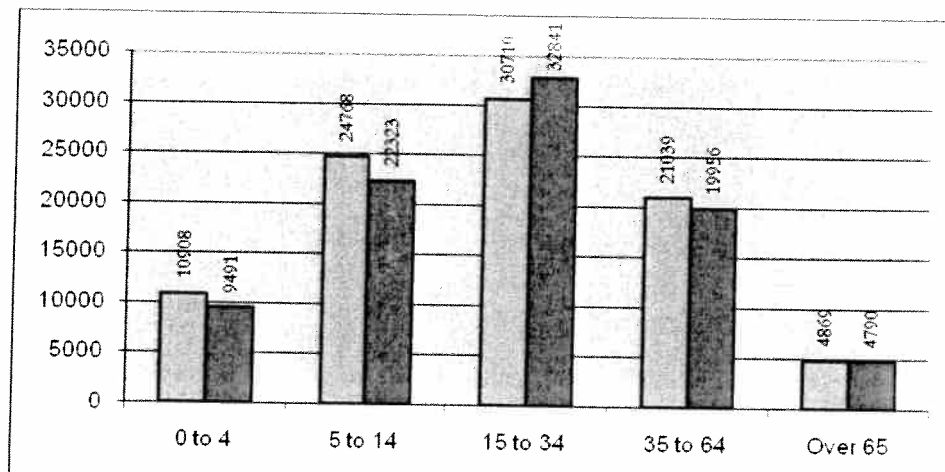
FIGURE 1: POPULATION BY WARD

CENSUS 2001

Figure 2 above, depicts population spread by ward and gender structure by ward. The most populated ward is ward 10 with 6932 females (53%) and 6034 males (47%). The least populated ward is ward 3 with 1365 (56%) and 1080 (44%) female and males population respectively. It is interesting to note that females outnumber their male counterparts throughout the wards. Even though this phenomenon could be attributed to the global trend it could also be attributed to the fact that uMvoti Local municipality area does not provide sufficient employment opportunities. Thus most males relocated to employment centres such as Durban, Johannesburg, and Pietermaritzburg etc.

- Age structure of the population

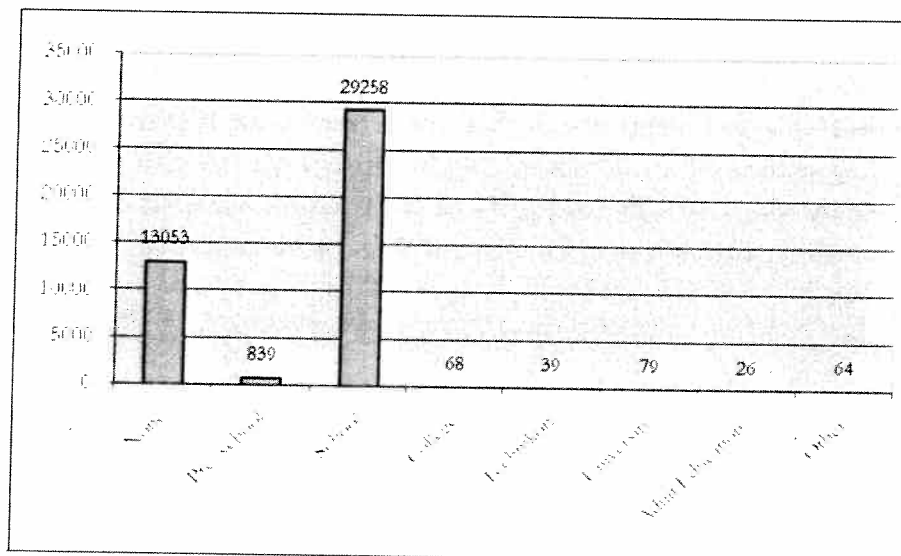
Gender Composition of the Population (2001 and 1996)



Source: Municipal Demarcation Board

- Education levels

Although the majority (29258 people) of people falling within the 5 to 24 years of age cohort are attending school, the number of people not attending school is alarmingly high (refer to Figure 5). 13 053 people including both people with matriculation and people with no matriculation are presently out of school.

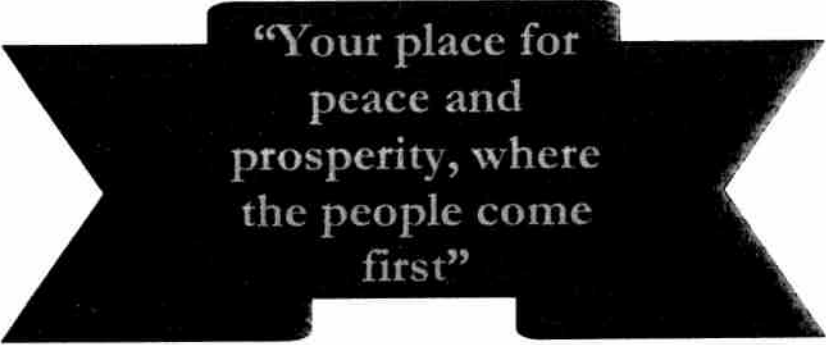


SOURCE: MUNICIPAL DEMARCATION BOARD

FIGURE 4: EDUCATION LEVELS ATTENDED BY 5 TO 24 YEAR OLD

1.4 EXECUTIVE SUMMARY AND MANAGEMENT PROFILE

1.4.1 OUR VISION



**“Your place for
peace and
prosperity, where
the people come
first”**

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- 1.4.2 Our Mission Statement

- In the service of others, we commit ourselves to:

- Provide democratic, transparent and accountable local government;
- Encourage community participation on local government affairs;
- Ensure equity and integrated transformation;
- Ensure sound inter-governmental relations for integrated development planning;
- Facilitate economic and social development;
- Promote a safe and healthy environment; and
- Render and expand affordable and sustainable services in a transparent and accountable manner and promote a culture of payment for services.

1.4.3 STRATEGIC OBJECTIVES

DEVELOPMENTAL

Umvoti Municipality is committed to addressing the key issues as identified in the previous section. The objectives and strategies are therefore formulated as means of addressing the priority issues. It is important to note that in terms of water and sanitation, the district objectives and strategies are used.

WARD COMMITTEES

Ward committee members for all eleven (11) wards were inaugurated on 07 November 2003 and is a competency of the Office of the Speaker. Each ward committee consists of ten (10) members and is paid per meeting by Umvoti Local Municipality. The lack of office accommodation and equipment is a challenge that is currently being addressed.

EXECUTVE COMMITTEE

DESIGNATION	SURNAME & INITIAL	PORTFOLIO COUNCILLOR	POLITICAL PARTY	WARD
Mayor	Ngubane P M S		IFP	PR
Deputy Mayor	Zondi S V		IFP	8
Executive Com. Member	Ngubane T Z		ANC	2

COUNCIL

DESIGNATION	SURNAME & INITIALS	POLITICAL PARTY	WARD
Speaker	Maharaj H	IFP	10
Councillor	Buss PR	DA	PR
Councillor	Dludla H J	IFP	P R
Councillor	Dladla D	IFP	4
Councillor	Mavundla P G	ANC	P R
Councillor	Mbatha MB(Late)	IFP	11
Councillor	Mchunu TM	IFP	PR
Councillor	Mkhize CN	IFP	6
Councillor	Nzama S A	ANC	1
Councillor	Ngcobo EN(Late)	IFP	9
Councillor	Ngobese J	ANC	PR
Councillor	Shangase S	IFP	P R
Councillor	Shaik A M	ANC	3
Councillor	Shange E S	IFP	5
Councillor	Vilakazi B	ANC	P R
Councillor	Zondi DP	ANC	P R
Councillor	Zondi DN	IFP	7
Councillor	Zuma P	ANC	P R

3)Debtor Age Analysis as at 30th June 2009

	120 days	90 days	60 days	30 days	Current	Total
Rates	6158732.83	352318	426842.7	505662	1017575	8461130
Electricity	693308.45	26546.52	35168.58	122690.6	1374883	2252597
Refuse	913560.28	35856.89	42974.15	70904.68	295551.5	1358848
Sundry	369770.22	14647.84	12093.84	43437.48	-633571	-193622
Housing	0	0	0	0	159276.7	159276.7
Total	8135371.78	429369.2	517079.3	742694.7	2213714	12038229

REVENUE COLLECTION PERFORMANCE

Council's Credit control and Debt collection Policy is regularly reviewed, and a Revenue Enhancement project still needs to be conducted. The Electricity debt above is receiving attention by replacing conversional meters by pre-paid meters.

INDIGENT SUPPORT

Council's indigent policy includes all registered indigents throughout the jurisdiction of the Umvoti Local Municipality. The Council endeavors to assist the poor of the poorest by giving free basic services. The Council is writing-off of arrears of all registered indigents. Umvoti Local Municipality provides Free Basic Electricity and Free Basic Refuse Removal. Indigent clients must re-register every year.

COMMUNITY PARTICIPATION

The Council promoted community participation extensively, and convened meetings to give the community the opportunity to express their views and needs on a regular basis. All 11 wards were involved in this process.

2.2 SERVICE DELIVERY BACKLOGS

-
- Service Backlog as per the District Backlog Study

The District Backlog study was conducted by Jeffares and Green (Pty) Ltd who were appointed to conduct a backlog study in the UMzinyathi District in March 2007. The study highlights that as the municipality is comprised of urban areas, commercial agricultural areas and tribal authority areas all of which exhibit typical characteristics associated with these settlement types. Service levels in urban areas are high except for informal areas, in

CHAPTER3: HUMAN RESOURCES AND OTHER ORGANIZATIONAL MANAGEMENT

Umvoti Municipality has 21 Councillors, 11 of which are Ward Councillors and 10 Proportionate Representation (PR) Councillors. It operates with an Executive Committee System, with various Portfolio Committees established in terms of section 79/80 of the Municipal Structures Act, (Act No. 117 of 1998). Full Council meetings are held quarterly with EXCO meetings being held at least monthly.

Umvoti Municipality has a staff complement of 131 permanent and 20 contract employees. The temporary staff has been reduced. The following are the institutional needs for Umvoti Municipality:

- Institutional capacity building
- Enhancement of performance management and monitoring systems
- Proper definitions of roles and responsibilities for the municipal departments
- Strong human resource and skills base

In order to deal with the issue of skills development, the municipality prepared a **Workplace Skills Plan** for 2009/2010 which has since been submitted to SETA. In terms of the latter plan, the break-down of the employees in terms of gender is 95 males and 57 females. In terms of equity and transformation, the municipality has made significant progress in that the majority of the employees come from previously disadvantaged backgrounds. Most senior positions are occupied by people who hail from the latter category.

The specific training needs for all the categories of employees are detailed in the workplace skills Plan. In line with the legal requirement, the municipality has nominated a skills development facilitator (SDF). The SDF is accountable for skills development activities and is the point of liaison between the municipality and stakeholders such as LGSETA.

The diagram below represents the organogram as per existing departments, it should be noted that the full organogram for the Municipality is annexed at the end of the document as indicated above.

The municipal Organogram was presented to Council during the budget engagements for the previous year (2007/2008) but most of the proposed posts were taken off the Organogram. It is noted that there has been some improvement as some of the vacant positions were being filled by the municipality during 08-09. It is anticipated that the outstanding vacant posts will be filled during the 09-10 financial

- **Museum:** There is staff in place. The Museum also relies on the Museum grant for the other needs such as equipment
 - **Public Libraries:** The Town Library is functioning properly. The Enhlalakahle library was closed down due to financial constraints. The Kranskop library has been recently upgraded however there is a possibility that this facility will close down due to financial constraints.
- Engineering Services

This Department is currently functioning without a Head of Department for almost two years. However the Manager Engineering Services was appointed and resumed his duties on 03 March 2008.

This department is divided into two subsections:

A) Electricity

Currently this section is managing to deal with all of the functions listed below.

- Installation & maintenance of prepaid meters
- Issuing of electricity cards
- Upgrade of Voltage e.g upgrade of feeder cables
- Installation of electrical system for new housing projects

B) Civic

- Public Works
- Roads: relying on consultants for the road projects. The qualified engineer has recently been appointed as Manager Engineering Services. There is still a need for the Technician and a Project Manager in order to reduce the consultants' costs.
- Parks & Gardens: solely relying on temporary staff
- Waste Management: refuse collection, refuse transfer, cemetery maintenance: currently relying on temporary staff for this function.
- Maintenance of Municipal Buildings: No staff responsible for overseeing Municipal Assets.
- Building Control: No official employed for this function
- Cleansing of town – Greytown, Kranskop, Enhlalakahle & Mudén (Mudén on request): currently relying on temporary staff for this function.

- budget and treasury Department

The Chief Financial Officer has recently been appointed and resumed his duties on the 3 March 2008. It is noted that there is a need for additional staff in this Department.

This Department deals with all Municipal financial issues:

- Budget: There is currently a need for the Budget Officer but such position is not currently budgeted for. An accountant has been appointed by the municipality as from 01 June 2008.
- Collection of debts
- Rates and Credit Control: there is currently no staff responsible for this function. However the municipality is in the process of filling this position.
- Indigent Support: An incumbent was employed on a temporary basis to register all the indigents and the contract came to an end on 30 June 2007. The municipality has prepared an Indigent Policy but it still need to be reviewed.
- Selling of prepaid electricity: the municipality is currently managing to execute this function.
- Staff salaries: The Salaries Clerk has resigned. The municipality has conducted the interviews and will be filling the position.
- Customer Care Centre: there is a Contractual Customer Relations Clerk responsible for the Customer Care.
- Supply Chain Management: There were two incumbents in this Section and both have resigned and both the posts are budgeted for and are currently vacant as from 01 July 2007. The Council adopted a new Supply Chain Management Policy at the end of 2005 year and this policy has been implemented with effect from 01 January 2006. Consideration should be given to fill all vacant post in the procurement department on a fulltime basis as the two incumbents have resigned. There is currently two temporary employees in this section.
- Audit Function: The Umvoti Municipality has had unqualified audits for twelve years. The Internal Audit Committee is in place. However there is a need for an Internal Auditor.

EMPHASIS OF MATTERS

9. Unauthorized expenditure

- An unauthorised expenditure of R1.93 million was disclosed in the notes to the financial statements as note number 36.1 and was approved by council held on the 15th December 2009, resolution number UMS(35).
- Other Matters

10. Material inconsistencies in information included in the annual report

- Noted.

11. Unaudited supplementary schedules

- Noted.

Non Compliance with applicable legislation

Municipal Finance Management Act

12. Agree. The 2007/2008 Annual Report was not submitted as prescribed in the MFMA, however it was then prepared and submitted for council approval on the 30 September 2009. In future it will be submitted in time

13. Agreed. The supplier database is updated every year through advertisements; however amendments were not signed by delegated official which will be done.

Municipal Systems Act

14. Agreed. Speaker to be reminded.

15. Agree. It was due to the outdated Performance Management System (PMS), the Department of Traditional and Local Government through a service provider is assisting the municipality with the development of Organizational Performance Management System (OPMS) and PA.

The Executive Council and Department of Local Government and Traditional had requested Price Water Cooper (PWC) to assist with the development of

- **Agree.** A service provider through Department of Corporate Governances and Traditional Affairs is assisting the municipality to review its Performance Management System developed in 2003/2004. Council has since adopted the 2009/2010 PMS and the workshops with Councillors and staff is scheduled for 27/28/29 October 2009.

27. APPRECIATION

- Noted.

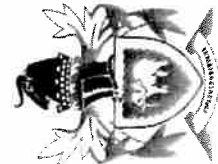
4.4 BUDGET TO ACTUAL COMPARISONS

Actual vs Budget (Revenue and Expenditure) for the year ended 30 June 2009 is attached as Annexure 'D'

4.5 GOVERNMENT GRANTS AND SUBSIDIES

Disclosure of Grants and subsidies in terms of Section 123 of the MFMA, Act 56 of 2003 is attached as Annexure 'E'

ANNEXURE A



ANNEXURE B

UMVOTI MUNICIPALITY

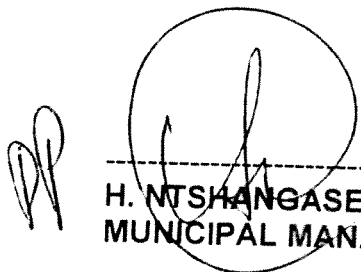
ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2009

In terms of section 126 (1) of the Municipal Finance Management Act, I am responsible for the annual financial statements, which are set out on pages 1 to 37, and which I have signed on behalf of the municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 24 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.


H. MTHANGASE
MUNICIPAL MANAGER

31 August 2009
Date

GENERAL INFORMATION

MEMBERS OF THE EXECUTIVE COMMITTEE

Councillor	P M Ngubane	:	Mayor, Exco. Chairperson
Councillor	S V Zondi	:	Deputy Mayor
Councillor	T Z Ngubane	:	Exco Member
Councillor	R Maharaj	:	Speaker

GRADING OF LOCAL AUTHORITY

GRADE SIX (6)

AUDITORS

OFFICE OF THE AUDITOR-GENERAL

BANKERS

ABSA BANK

REGISTERED OFFICE

106 PINE STEET
Greytown
3250

TELEPHONE

033-4139100

MUNICIPAL MANAGER
H NTSHANGASE

FINANCIAL MANAGER

S B NDABANDABA

**UMVOTI MUNICIPALITY
ACCOUNTING POLICIES
TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

1. BASIS OF PRESENTATION

The Annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP). The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below.

The Standards comprise of the following:

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 4	The Effects of Changes in Accounting Estimates and Errors
GRAP 5	Borrowing Cost
GRAP 6	Consolidated and Separate Financial Statements
GRAP 7	Investment in Associates
GRAP 8	Investment in Joint Ventures
GRAP 9	Revenue From Exchange Transactions
GRAP 10	Financial Reporting in Hyperinflationary Economies
GRAP 11	Construction Contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events After the Reporting Date
GRAP 16	Investment Property
GRAP 17	Property, Plant and Equipment
CRAP 19	Provisions, Contingent Liabilities and Contingent Asset
GRAP 100	Non-current Assets Held for Sale and Discontinued Operations
GRAP 101	Agriculture
GRAP 102	Intangible Assets

**UMVOTI MUNICIPALITY
ACCOUNTING POLICIES
TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

**GRAP 24: Presentation of Budget Information in Financial Statements –
Issued November 2007:**

Compliance with this standard would have had an effect on the presentation only. The budget information is currently disclosed in the appendices.

GRAP 103: Heritage Assets – Issued July 2008:

Compliance with this standard will not have an impact on the current financial information as the recognition and measurement requirements of the standard have already been adopted.

2. PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand

3. GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on a going concern basis.

4. HOUSING DEVELOPMENT FUND

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the Municipality were extinguished on 01 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 01 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the of the Housing Development Fund can be used only to finance housing developments within the municipality area subject to the approval of the Provincial MEC responsible for housing.

**UMVOTI MUNICIPALITY
ACCOUNTING POLICIES
TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

5.3 Government Grant Reserve

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus to the Government Grants Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus equal to the amount of the annual depreciation. The purpose of this policy is to promote community equity by ensuring that future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus.

When an item of property, plant and equipment financed from government grants is disposed of, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus.

Government Grant Reserve is included in Accumulated Surplus in the Statement of Financial Position. In the prior year it was separately disclosed.

5.4 Donations and Public Contribution Reserve

When items of property, plant and equipment are financed from public contributions and donations a transfer is made from the accumulated surplus to the Donations and Public Contribution Reserve equal to the donations and public contributions recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated a transfer is made from the Donations and Public Contributions Reserve to the accumulated surplus. The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from donations and public contributions.

When an item of property, plant and equipment financed from government grants is disposed of, the Donations and Public Contributions Reserve relating to such item is transferred to the accumulated surplus.

Donations and Public Contribution Reserve is included in Accumulated Surplus in the Statement of Financial Position. In the prior year it was separately disclosed.

**UMVOTI MUNICIPALITY
ACCOUNTING POLICIES
TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

	YEAR	OTHER	YEARS
Infrastructure			
Roads and Paving	10 to 20	Buildings	30
Pedestrian Malls	30	Air Conditioners	7
Major Sub Station Buildings	20	Other Vehicles	5
Transformers and related equipment	20	Office equipment	5
Mains	20	Furniture and Fitting	10
Housing	30	Radios	5
Street Lights	20	Robots	10
		Other items of plant and equipment	3
Community			
Buildings	30		
Security	5		

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognized in the Statement of Financial Performance.

Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.

In 2008/2009 the requirements of GRAP17 were not complied with as follows:

- Review of useful life of items of property, plant and equipment recognized in the annual financial statements.
- Review of depreciation method applied to property, plant and equipment recognized in the annual financial statements
- Testing for and impairing any items of property, plant and equipment recognized in the annual financial statements

The council is in the process of developing a process plan to fully comply with GRAP 17 by the end June 2010 (see note 10).

**UMVOTI MUNICIPALITY
ACCOUNTING POLICIES
TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

9. ACCOUNTS RECEIVABLE

Accounts receivable are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Bad debts are written off during the year in which they are identified. Amounts that are receivable within 12 months from the reporting date are classified as current

10. TRADE CREDITORS

Trade creditors are stated at their nominal value.

11. REVENUE RECOGNITION

11.1 Revenue from exchange transactions

Services charges relating to electricity are based on consumption. Meters are read monthly and recognized as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognized as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognized as revenue in the invoicing period. Revenue from the sale of electricity prepaid meter cards are recognized at the point of sale.

Service charges relating to refuse removal are recognized on a monthly basis in arrears by applying the approved tariff to each property. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month

Interest and rentals are recognized on a time proportionate basis.

Revenue arising from the application of the approved tariff of charges is recognized when the relevant service is rendered by applying the relevant gazetted tariff. This includes the issuing of licenses and permits.

Income for agency services is recognized on a monthly basis once the income collected on behalf of agents has been quantified. The income recognized is in terms of an agency agreement.

Finance income from the sale of housing by way of installment sales agreements or finance leases is recognized on a time proportionate basis.

**UMVOTI MUNICIPALITY
ACCOUNTING POLICIES
TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

14 PROVISIONS

Provisions are recognized when the Municipality has a present or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting sheet date and adjusted to reflect the current best estimate. Non-current provisions are discounted to the present value using a discount rate based on the average cost of borrowing to the municipality.

15. CASH AND CASH EQUIVALENTS

Cash includes cash on hand and with banks. Cash equivalents are short- term highly liquid investments that are held with registered banking institutions with maturities of six months or less and are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks and investments in financial instruments, net of bank overdraft.

Bank overdrafts are recorded based on the facility utilized. Finance charges on bank overdraft are expensed as incurred.

16. TAX

The Municipality is exempted from tax in terms of section 10(1)(a) of the Income Tax Act.

17. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003), Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

ACCOUNTING OFFICERS REPORT TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

THE CHALLENGE OF CHANGE

It has been a very challenging year for the Umvoti Municipality, Especially in regard to implementation of the provisions of the Municipal Property Rates Act. The economic recession has negatively affected the community's ability to pay and this is reflected in the financial results.

It is commendable that, in my opinion as Municipal manager, the management team has excelled in ensuring that the Umvoti Municipality has delivered services to the community under very trying circumstances. The results for the year under review are set out as follows.

1. Financial Statement Ratios

	2009	2008
	R	R
Personnel Costs	26%	26%
Remuneration of Councillors	5%	6%
Bad Debts	3%	3%
Depreciation	16%	16%
Repairs And Maintenance	4%	5%
Bulk Purchases: Electricity	18%	17%
General Expenses	16%	15%
Contracted Services	9%	11%
Grants and Subsidies paid	3%	1%
Total Expenses	100%	100%

2. POST BALANCE SHEET EVENTS

Nil

ACCOUNTING OFFICERS REPORT TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Capital Budget

DESCRIPTION	BUDGET	ACTUAL	VARIANCE
Land			
Security Measures	405 000		405 000
Buildings	28 222 462	6 970 218	21 252 244
Air conditioners	90 000		90 000
Professional Fees	100 000		100 000
Construction Works	21 851 079	18 597 714	3 253 365
Electricity Reticulation	3 450 000	1 120 938	2 329 062
Streetlights	0	0	
Furniture	154 800	77 844	76 956
Office and Acc. Mach	410 000	58 461	351 539
Tools	761 000	299 664	461 336
Machinery	69 500	49 812	19 688
Vehicle & Tractor	2 900 000	2 502 502	397 498
Radios	20 000		20 000
Museum Exhibits	50 000		50 000
Total	58 483 841	29 677 153	28 806 688

The savings are mainly due to delays in planning or arranging funding. The excess on office and accounting machines was mainly due to urgent replacement of machines that could not be repaired due to unforeseen circumstances.

4. EXPRESSION OF APPRECIATION

I am grateful to the Mayor, Speaker, Executive Committee and Councillors, the chief financial officer, Manager Corporate Services, Manager Engineering Services and staff in general, our financial consultant Mr S.D Van Der Merwe and in particular to the local representatives of the Auditor General for their support and willingness to go the extra mile during the 2008/2009 financial year, which proved to be a very difficult year for all..

SB Ndabandaba
Municipal Manager
Umvoti Municipality

**UMVOTI LOCAL MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2009**

BUDGET				ACTUAL	
2008 R	2009 R	REVENUE	Note	2009 R	2008 R
10,107,000	10,898,147	Property rates	19	11,058,100	10,019,332
970,000	1,020,000	Property rates - penalties imposed and collection charges		1,363,962	689,075
17,657,823	20,734,623	Service charges	20	24,378,643	19,359,131
2,337,010	2,541,330	Rental of facilities and equipment		2,651,192	2,411,272
2,300,000	3,600,000	Interest earned - external investments		5,871,776	5,554,178
150,000	267,920	Interest earned - outstanding debtors		292,243	254,361
560,000	559,000	Fines		674,905	351,214
1,021,200	1,039,824	Licences and permits		1,537,367	1,176,922
600,000	690,000	Income for agency services		757,111	658,942
13,258,225	15,055,000	Government grants and subsidies	21	40,512,529	18,384,199
84,000	58,300	Other income	22	326,962	258,903
10,000	100,000	Gain on disposal of property, plant and equipment		39,667	
49,055,258	56,564,144	Total Revenue		89,464,457	59,117,529
		EXPENDITURE			
19,051,020	21,599,834	Employee related costs	23	18,981,673	14,686,058
4,152,979	4,295,868	Remuneration of Councillors	24	3,926,073	3,565,582
1,100,000	850,000	Bad debts		2,269,238	1,623,394
		Collection costs			
8,505,248	9,677,797	Depreciation		11,416,692	8,841,730
3,229,454	3,523,278	Repairs and maintenance		3,050,889	2,920,736
		Interest paid	25		
8,610,000	11,000,000	Bulk purchases	26	12,856,494	9,674,549
5,368,000	6,413,400	Contracted services		6,402,827	5,839,031
910,000	1,028,000	Grants and subsidies paid	27	2,162,653	637,339
10,489,389	11,550,957	General expenses		10,804,659	8,016,844
		Loss on disposal of property, plant and equipment			
61,416,090	69,939,134	Total Expenditure		71,871,198	55,805,263
(12,360,832)	(13,374,990)	Surplus (Deficit) for the year		17,593,259	3,312,266

Refer to Appendix E .1 for explanation of variances

UMVOTI LOCAL MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 R	2008 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and other		77,775,698	58,792,364
Cash paid to suppliers and employees		(56,516,362)	(44,652,951)
Cash generated from (utilised in) operations	29	21,259,336	14,139,413
Interest received		5,871,776	5,554,178
Interest paid			
NET CASH FROM OPERATING ACTIVITIES		27,131,112	19,693,591
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(29,677,153)	(14,699,942)
Purchase of housing infrastructure			
Proceeds on disposal of property, plant and equipment			
(Increase) decrease in investment properties			
(Increase) decrease in non - current receivables		138	18,614
(Increase) decrease in non - current investments			
(Increase) decrease in call investments			
NET CASH FROM INVESTING ACTIVITIES		(29,677,015)	(14,681,328)
CASH FLOWS FROM FROM FINANCING ACTIVITIES			
New loans raised (repaid)		41,093	62,861
Increase (decrease) in consumer deposits			
Increase (decrease) in short term loans			
NET CASH FROM FINANCING ACTIVITIES		41,093	62,861
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(2,504,810)	5,075,124
Cash and cash equivalents at the beginning of the year		54,398,519	49,323,395
Cash and cash equivalents at the end of the year	30	51,893,709	54,398,519
		2,504,810	(5,075,124)

UMVOTI LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R
6 CREDITORS		
Trade creditors		
Payments received in advance	2,551,964	2,894,316
Retention	2,087,241	1,075,474
Staff leave	1,830,425	1,189,304
Deposits other	938,901	606,044
Other creditors	951,175	901,993
	<u>8,359,706</u>	<u>6,716,379</u>

7 UNSPENT CONDITIONAL GRANTS AND RECEIPTS

7.1 Conditional grants from other spheres of government(see note 21)	16,843,959	19,259,954
7.2 Other conditional receipts		
Public contributions		
Total conditional grants and receipts	<u>16,843,959</u>	<u>19,259,954</u>

Refer Appendix F

These amounts are invested in a ring - fenced investment until utilised.

8 VAT		
VAT refund due		
Vat provision	820,805	666,016
	(499,099)	(449,152)
VAT is payable on the receipts basis		
The vat provision represents vat raised (Consumer Debtors) not yet received	<u>321,706</u>	<u>216,864</u>

9 SHORT TERM LOANS

UMVOTI LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

10 PROPERTY, PLANT AND EQUIPMENT

30-Jun-2009

Reconciliation of carrying value	Infrastructure	Community	Heritage	Other	Total
Carrying value at 1 July 2008	61,220,428	10,453,868	1,778,137	4,313,230	77,765,663
Cost	110,358,997	13,635,479	1,810,294	18,432,629	144,237,399
Revaluation					
Accumulated depreciation					
- Cost	(49,138,569)	(3,181,611)	(32,157)	(14,119,399)	(66,471,736)
- Revaluation					
Acquisitions	19,856,609	349,975		9,470,569	29,677,153
Capital under construction					
Increases (decreases) in revaluation					
Depreciation					
- based on cost	(8,954,667)	(848,605)	(13,434)	(1,599,985)	(11,416,691)
- based on revaluation					
Carrying value of disposals					
Cost/revaluation					
Accumulated depreciation					
Carrying value at 30 JUNE 2009	72,122,370	9,955,238	1,764,703	12,183,814	96,026,125
Cost	130,215,806	13,985,454	1,810,294	27,903,198	173,914,552
Revaluation					
Accumulated depreciation					
- Cost	(58,093,236)	(4,030,216)	(45,591)	(15,719,384)	(77,888,427)
- Revaluation					

30-Jun-2008

Reconciliation of carrying value	Infrastructure	Community	Heritage	Other	Total
Carrying value at 1 July 2007	55,533,823	10,214,161	382,335	5,777,131	71,907,450
Cost	98,140,355	12,563,415	401,056	18,432,629	129,537,457
Revaluation					
Accumulated depreciation					
- Cost	(42,606,532)	(2,349,254)	(18,723)	(12,655,498)	(57,630,007)
- Revaluation					
Acquisitions	11,632,864	953,024	1,409,236		13,994,924
Capital under construction	585,978	119,040			705,018
Increases (decreases) in revaluation					
Depreciation					
- based on cost	(6,532,037)	(832,357)	(13,434)	(1,463,901)	(8,841,729)
- based on revaluation					
Carrying value of disposals					
Cost/revaluation					
Accumulated depreciation					
Carrying value at 30 JUNE 2008	61,220,428	10,453,868	1,778,137	4,313,230	77,765,663
Cost	110,358,997	13,635,479	1,810,294	18,432,629	144,237,399
Revaluation					
Accumulated depreciation					
- Cost	(49,138,569)	(3,181,611)	(32,157)	(14,119,399)	(66,471,736)
- Revaluation					

Refer to Appendix B for more detail on property, plant and equipment

The Municipality has taken advantage of the transitional provisions set out in GRAP 17. The Municipality is in the process of itemising all infrastructure and community assets and will recalculate accumulated depreciation once this exercise has been completed. At present depreciation on these assets is calculated on an averaging basis whereby an average useful life has been calculated for each category of infrastructure and community assets using global historical costs recorded in the accounting records.

UMVOTI LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 R	2008 R	
15 CONSUMER DEBTORS			
Balances at 30 June 2009			
	Gross balance	Provision for doubtful debts	Net balance
Service debtors	1,358,848	(913,560)	445,288
Rates	8,461,130	(6,158,733)	2,302,397
Electricity	2,252,597	(693,308)	1,559,289
Housing	159,277		159,277
Other	751,451	(369,770)	381,681
Total	12,983,303	(8,136,371)	4,847,932
Balances at 30 June 2008			
Service debtors	1,292,400	(869,677)	422,723
Rates	7,574,726	(5,244,595)	2,330,131
Electricity	2,004,334	(682,203)	1,322,131
Housing	151,185		151,185
Other	2,147,804	(1,726,376)	421,428
Total	13,170,449	(8,522,861)	4,647,588
Rates: Ageing			
Current (0 - 30 days)	1,017,575	966,157	
31 - 60 days	505,662	580,171	
61 to 90 days	426,843	422,199	
91 - 120 days	352,318	361,605	
121 days and over	6,158,733	5,244,594	
Total	8,461,131	7,574,726	
Electricity and other : Ageing			
Current (0 - 30 days)	2,141,212	1,687,199	
31 - 60 days	237,033	287,571	
61 to 90 days	90,236	185,373	
91 - 120 days	77,051	157,323	
121 days and over	1,976,640	3,278,257	
Total	4,522,172	5,595,723	
GRAND TOTAL	12,983,303	13,170,449	
16 OTHER DEBTORS			
Accrued interest on investments	337,311	751,582	
Uthekela Water	407,585	407,585	
Government subsidies	1,942,502	901,016	
Other	267,412	49,577	
Total other debtors	2,954,810	2,109,760	
Less : Provision for doubtful debts	(407,585)	(407,585)	
	2,547,225	1,702,175	
17 CALL INVESTMENT DEPOSITS			
Other deposits	50,133,323	54,184,534	
Other deposits of R 6,360,324 are ringfenced and attributable to the Capital Replacement Reserve. Deposits of R 16,843,959 are ringfenced and relate to unutilised conditional government grants			

2009
R

2008
R

23 EMPLOYEE RELATED COSTS

Employee related costs - salaries and wages		
Employee related costs - contributions to UIF, pension and medical costs	15,395,180	11,714,637
Travel, vehicle, accommodation, subsistence and other allowances	3,116,541	2,740,078
Housing benefits and other allowances	1,345,213	971,501
Overtime payments	435,298	596,687
Performance bonus	440,185	347,089
Service allowance		28,167
Sub-total	740,414	675,133
Less: Employee costs allocated to Property, Plant and Equipment	21,472,831	17,073,292
Less: Employee costs included in other expenses	(388,433)	(330,210)
	(2,102,725)	(2,057,024)
Total employee related costs	18,981,673	14,686,058

There were no advances or loans to employees.

Remuneration of the Municipal Manager
Annual remuneration
Performance bonus
Car allowance
Housing allowance
Contributions to Medical and Pension Funds

436,885
261,300
-
108,000
67,585

Remuneration of the Chief Financial Officer
Annual remuneration
Performance bonus
Car allowance
Acting Allowance
Housing Allowance
Contributions to Medical and Pension Funds

465,893
261,026
-
119,000
34,229
51,638

Remuneration of other managers
30-Jun-2008

Annual remuneration
Performance bonus
Leave pay
Car allowance
Acting Allowance
Housing Allowance
Contributions to Medical and Pension Funds

Corporate Services	Engineering Services	Protection Services
80,180	80,180	
52,101	52,101	

30-Jun-2009

Annual remuneration
Performance bonus
Leave pay
Car allowance
Acting Allowance
Housing Allowance
Contributions to Medical and Pension Funds

132,281	132,281	
261,100	261,100	261,100
123,205	123,205	123,205
47,359	2,364	1,182
	47,359	47,359
431,664	434,028	432,846

24 REMUNERATION OF COUNCILLORS

Mayor
Deputy Mayor
Speaker
Executive committee members
Councillors

287,197	266,000
414,866	214,597
239,516	384,402
240,234	201,747
2,744,260	2,498,836
3,926,073	3,565,582

Certain Councillors were underpaid and this will be corrected during the ensuing year.

In - kind benefits

The Mayor and the Speaker are provided with an office and secretarial support at the cost of Council.

The Mayor has use of a Council owned vehicle for official duties

25 INTEREST PAID

Finance leases

26 BULK PURCHASES

Electricity

12,856,494	9,674,549
12,856,494	9,674,549

UMVOTI LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2009 R	2008 R
31.5 Pension and medical aid deductions		
Opening balance		
Current year payroll deductions and Council contributions		
Amount paid - current year	4,669,571	4,002,942
Amount paid - previous years	4,669,571	4,002,942
Balance unpaid (included in creditors)		
31.6 Councillors arrear consumer accounts		
The following Councillors had arrear accounts outstanding for more than 90 days as at:		
30 June 2009		
Total	Outstanding less than 90 days	Outstanding less than 90 days
PT Zuma	651	
30 June 2008		
Total	Outstanding more than 90 days	Outstanding more than 90 days
PT Zuma	1,089	
32 CAPITAL COMMITMENTS		
Commitments in respect of capital expenditure:		
- approved and contracted for		
Infrastructure		
Buildings	3,165,171	6,323,022
Heritage	514,908	180,960
Other		
Housing Development Fund	92,048	
Investment properties		
- approved but not yet contracted for		
Infrastructure		
Buildings	16,664,829	44,489,631
Heritage	5,124,365	2,529,928
Other	25,000	
Housing Development Fund	4,746,191	4,960,300
Investment properties	25,955,339	
This expenditure will be financed from:	<u>56,287,851</u>	<u>58,483,841</u>
- capital replacement reserve		
- government grants	3,000,000	7,617,145
- own resources	45,977,612	47,580,696
	7,310,239	3,286,000
	<u>56,287,851</u>	<u>58,483,841</u>
33 RETIREMENT BENEFIT INFORMATION		
Certain Councillors and Certain employees belong to defined benefit retirement funds administered by the Natal Joint Municipal Pension Fund. These funds are subject to a triennial actuarial valuation. The last valuation was performed in 2008.		
33.1 SUPERANNUATION FUND		
The actuary has advised that, the fund was fully funded and financially sound on the DCF method		

APPENDIX A
UMVOTI LOCAL MUNICIPALITY : SCHEDULE OF EXTERNAL LOANS AT 30 JUNE 2009

EXTERNAL LOANS	Loan Number	Redeemable	Balance at 6/30/2008 R	Received during the year R	Redeemed or written off during the year R	Balance at 6/30/2009 R	Carrying value of property plant & equip. R
TOTAL			0	0	0	0	0

UMVOTI LOCAL MUNICIPALITY : SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AT 30 JUNE 2009

Executive and Council
Finance and Admin
Planning and Development
Health
Community & Social Services
Public Safety
Sport and Recreation
Environmental Protection
Waste Management
Road Transport
Electricity
Other

APPENDIX E (1)
UMVOTI LOCAL MUNICIPALITY : ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2009

REVENUE	2009 Actual R	2009 Budget R	2009 Variance R	2009 Variance %	Explanation of significant variances
Property rates	11,058,100	10,898,147	159,953	1.47	
Property rates - penalties imposed and collection charges	1,363,962	1,020,000	343,962	33.72	More rate payers defaulted on payment of rates by due date
Service charges	24,378,643	20,734,623	3,644,020	17.57	Tariffs higher than expected to cover Eskom price increases
Rental of facilities and equipment	2,651,192	2,541,330	109,862	4.32	
Interest earned - external investments	5,871,776	3,600,000	2,271,776	63.10	Under budget
Interest earned - outstanding debtors	292,243	267,920	24,323	9.08	
Fines	674,905	559,000	115,905	20.73	Payment for the previous financial year was received from the Magistrates office
Licences and permits	1,537,367	1,039,824	497,543	47.85	There was an influx of applicants for learners and drivers licences due to long waiting periods at other stations
Income for agency services	757,111	690,000	67,111	9.73	Under budgeted
Government grants and subsidies	40,512,529	15,055,000	25,457,529	169.10	Capital grants not included in the budget
Other income	326,962	56,300	268,662	460.83	
Public contributions, donated and contributed property, plant and equipment					
Gain on disposal of property, plant and equipment	39,667	100,000	(60,333)	(60.33)	No auction sale was held during the year under review
Total Revenue	89,464,457	56,564,144	32,900,313	58.16	
EXPENDITURE					
Employee related costs	18,981,673	21,599,834	(2,618,161)	(12.12)	Not all budgeted posts were filled during the year under review
Remuneration of Councilors	3,926,073	4,295,868	(369,795)	(8.61)	budget provision for full time mayor
Bad debts	2,269,238	850,000	1,419,238	166.97	Credit Control not enforced
Collection costs					
Depreciation	11,416,892	9,877,797	1,738,895	17.97	Under Budgeted
Repairs and maintenance	3,050,889	3,523,278	(472,389)	(13.41)	Staff vacancies
Interest paid					
Bulk purchases	12,856,494	11,000,000	1,856,494	16.88	Eskom price increase exceeded expectations
Contracted services	6,402,826	6,413,400	(10,574)	(0.16)	
Grants and subsidies paid	2,162,653	1,028,000	1,134,653	110.37	Increase in indigent support
General expenses	10,804,659	11,550,957	(746,298)	(6.46)	
Loss on disposal of property, plant and equipment					
Total Expenditure	71,871,197	69,939,134	1,932,063	2.76	
Surplus (Deficit) for the year	17,593,260	(13,374,990)	30,968,250		

APPENDIX F
UMVOTI MUNICIPALITY: DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA ACT 56 OF 2003
FOR THE YEAR ENDED 30 JUNE 2009

Description	Name of organ of State	Unspent balance at 1 July 2008 R	Received 2008/2009 R	Expenditure 2008/2009 R	Transfer 2008/2009 R	Unspent balance at 30 June 2009 R	Grants delayed/ withheld R	Reason for delaying/ withholding funds	Compliance with grant conditions YES/NO	Reason for non-compliance
Grants - general	Unspecified	234,685			(234,524)	161	N/A		YES	
MSIG grant	Department of Traditional and Local Government Affairs	250,000				250,000	N/A		YES	
MIG	Department of Traditional and Local Government Affairs	2,015,769	12,912,000	10,665,821		4,261,948	N/A		YES	
Camelary grant	Department of Traditional and Local Government Affairs	161,684				161,684	N/A		YES	
Grant - IDP	Department of Traditional and Local Government Affairs	50,000					N/A		YES	
Equitable share	National Treasury	5,448,853	5,500,000	7,174,952		50,000	N/A		YES	
Grant - library	Library Services	4,941				3,773,901	N/A		YES	
Grant - taxi rank	Department of Traditional and Local Government Affairs	296,217				4,641	N/A		YES	
Finance Management	National Treasury	26,878	500,000	526,878		296,217	N/A		YES	
Municipal Systems Improvement	Department of Traditional and Local Government Affairs	762,100	735,000			0	N/A		YES	
LUMS	Department of Traditional and Local Government Affairs					1,497,100	N/A		YES	
Municipal Finance Management	National Treasury	40,595					N/A		YES	
Housing plan grant	Department of housing	228				40,595	N/A		YES	
Specific program grant	National Treasury	50,000				228	N/A		YES	
GUJMA KZN grant	Department of Traditional and Local Government Affairs	101,367				50,000	N/A		YES	
Development of policies	Department of Traditional and Local Government Affairs	12,451				101,367	N/A		YES	
IDP grant	Umzimnyathi District Municipality	192,982				12,451	N/A		YES	
Grant - financial plan	Umzimnyathi District Municipality	50,000				192,982	N/A		YES	
Grant - Phaswe farm	Umzimnyathi District Municipality	50,000				50,000	N/A		YES	
Spatial planning	Department of Traditional and Local Government Affairs	160,000				50,000	N/A		YES	
Management Assistance Project	Department of Traditional and Local Government Affairs		100,000			160,000	N/A		YES	
Library - computer expenses	Department of Traditional and Local Government Affairs		100,000			100,000	N/A		YES	
Corridor development	Department of Traditional and Local Government Affairs	215,295	78,900			100,000	N/A		YES	
Eshane development	Department of Traditional and Local Government Affairs	294,923	2,400,000	18,564		78,900	N/A		YES	
Storm damage	Department of Traditional and Local Government Affairs	2,728,000		7,880		2,596,731	N/A		YES	
Hostel upgrade	Department of housing	6,113,274		6,347,798		287,043	N/A		YES	
		19,259,954	22,325,900	24,741,893	234,524	0	N/A		YES	
						16,843,959	N/A		YES	

ANNEXURE C



AUDITOR - GENERAL
SOUTH AFRICA

Mr N Malinga
The Acting Accounting officer
Umvoti Municipality
P.O. Box 71
GREYTOWN
3250

30 November 2009

REFERENCE: 21447REG0809

Dear Mr Malinga

Report of the Auditor-General on the financial statements and performance information of Umvoti Municipality for the year ended 30 June 2009

1. The above-mentioned report of the Auditor-General is submitted herewith in terms of section 21(1) of the Public Audit Act, 2004 (Act No. 25 of 2004) read in conjunction with section 188 of the Constitution of the Republic of South Africa, 1996 and section 121(3) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA)
2. The audit report is issued as a final draft pending our receipt of all other documents that will be included in the annual report that will contain the audited financial statements is received.
3. Once these documents are received we will read them to establish if there are any inconsistencies with the audited financial statements. You will then be requested to amend this other information or the financial statements in respect of any inconsistencies. Once this process has been satisfactorily completed we will issue the final signed audit report.
4. In terms of section 121(3) of the MFMA you are required to include the audit report in the municipality's annual report to be tabled.
5. Until the annual report is tabled as required by section 127(2) of the MFMA the audit report is not a public document and should therefore be treated as confidential.
6. Prior to printing or copying the annual report which will include the audit report you are required to do the following:
 - Submit the final printer's proof of the annual report to the relevant senior manager of the Auditor-General of South Africa for verification of the audit-related references in the audit report and for confirmation that the financial statements and other information are those documents that have been read and audited. Special care should be taken with the page references in your report, since an incorrect reference could have audit implications.

**REPORT OF THE AUDITOR-GENERAL TO THE KWAZULU-NATAL PROVINCIAL
LEGISLATURE AND THE COUNCIL ON THE FINANCIAL STATEMENTS AND
PERFORMANCE INFORMATION OF UMVOTI MUNICIPALITY FOR THE YEAR
ENDED 30 JUNE 2009**

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of Umvoti Municipality which comprise the statement of financial position as at 30 June 2009, the statement of financial performance, the statement of changes in net assets and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages XX to XX.

The accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and in the manner required by the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996, read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) and section 126(3) of the MFMA, my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. Paragraph 11 et seq. of the Standard of Generally Recognised Accounting Practice, GRAP 1 Presentation of Financial Statements requires that financial reporting by

Non Compliance with applicable legislation

Municipal Finance Management Act

13. The municipality had not prepared and tabled an annual report with Council for the 2007/08 financial year as required by Section 121(1) of the MFMA.
14. The municipality had not updated its supplier database as required by section 112(1)(f) of the MFMA.

Municipal Systems Act

15. Councillors have not declared their interest as required by schedule 1, section 5(1) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA).
16. The municipal manager did not sign a performance agreement with the executive council as required by section 57(2) of the MSA.

Governance framework

17. The governance principles that impact the auditor's opinion on the financial statements are related to the responsibilities and practices exercised by the accounting officer and executive management and are reflected in the key governance responsibilities addressed below:

Key governance responsibilities

18. The MFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of key governance responsibilities, which I have assessed as follows:

No.	Matter	Y	N
Clear trail of supporting documentation that is easily available and provided in a timely manner			
1.	No significant difficulties were experienced during the audit concerning delays or the availability of requested information.	☐	
Quality of financial statements and related management information			
2.	The financial statements were not subject to any material amendments resulting from the audit.	☐	
3.	The annual report was submitted for consideration prior to the tabling of the auditor's report.	☐	
Timeliness of financial statements and management information			
4.	The annual financial statements were submitted for auditing as per the legislated deadline [section 126 of the MFMA].	☐	
Availability of key officials during audit			
5.	Key officials were available throughout the audit process.	☐	

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on performance information

20. I was engaged to review the performance information.

The accounting officer's responsibility for the performance information

21. In terms of section 121(3)(c) of the MFMA the annual report of a municipality must include the annual performance report of the municipality, prepared by the municipality in terms of section 46 of the MSA.

The Auditor-General's responsibility

22. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008* and section 45 of the MSA.

23. In terms of the foregoing my engagement included performing procedures of a review nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

24. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the review findings reported below.

Findings on performance information

Non-compliance with regulatory requirements

No reporting of performance information

25. The municipality did not prepare the annual performance report of the municipality in terms of section 46 of the MSA and as required by section 121(3)(c) of the MFMA.

Lack of implementation of a performance management system

26. The municipality did not implement a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players, as required in terms of regulations 7 and 8 of the Municipal Planning and Performance Management Regulations, 2001.

Auonto-General

ANNEXURE



APPENDIX E (1)
UMVOTI LOCAL MUNICIPALITY : ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2009

REVENUE	2009 Actual R	2009 Budget R	2009 Variance R	2009 Variance %	Explanation of significant variances
Property rates	11,058,100	10,898,147	159,953	1.47	
Property rates - penalties imposed and collection charges	1,363,962	1,020,000	343,962	33.72	More rate payers defaulted on payment of rates by due date
Service charges	24,378,643	20,734,823	3,644,020	17.57	Tariffs higher than expected to cover Eskom price increases
Rental of facilities and equipment	2,851,192	2,541,330	109,862	4.32	
Interest earned - external investments	5,871,776	3,600,000	2,271,776	63.10	Under budget
Interest earned - outstanding debtors	292,243	267,920	24,323	9.08	
Fines	674,905	559,000	115,905	20.73	Payment for the previous financial year was received from the Magistrates office
Licences and permits	1,537,387	1,039,824	497,543	47.85	There was an influx of applicants for learners and drivers licences due to long waiting periods at other stations
Income for agency services	757,111	690,000	67,111	9.73	Under budgeted
Government grants and subsidies	40,512,529	15,055,000	25,457,529	169.10	Capital grants not included in the budget
Other income	326,962	58,300	268,662	460.83	
Public contributions, donated and contributed property, plant and equipment					
Gain on disposal of property, plant and equipment	39,667	100,000	(60,333)	(60.33)	No auction sale was held during the year under review
Total Revenue	89,464,457	56,584,144	32,900,313	58.16	
EXPENDITURE					
Employee related costs	18,981,673	21,599,834	(2,618,161)	(12.12)	Not all budgeted posts were filled during the year under review
Remuneration of Councillors	3,926,073	4,295,866	(369,793)	(8.61)	budget provision for full time mayor
Bad debts	2,269,238	850,000	1,419,238	166.97	Credit Control not enforced
Collection costs					
Depreciation	11,416,892	9,677,797	1,738,895	17.97	Under Budgeted
Repairs and maintenance	3,050,889	3,523,278	(472,389)	(13.41)	Staff vacancies
Interest paid					
Bulk purchases	12,856,494	11,000,000	1,856,494	16.88	Eskom price increase exceeded expectations
Contracted services	6,402,826	6,413,400	(10,574)	(0.16)	
Grants and subsidies paid	2,162,653	1,028,000	1,134,653	110.37	Increase in indigent support
General expenses	10,804,659	11,550,957	(746,298)	(6.48)	
Loss on disposal of property, plant and equipment					
Total Expenditure	71,871,197	69,939,134	1,932,063	2.76	
Surplus (Deficit) for the year	17,593,260	(13,374,990)	30,968,250		

APPENDIX E (2)

UMVOTI LOCAL MUNICIPALITY : ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2009

	2009 Actual R	2009 Under Construction R	2009 Total Additions R	2009 Budget R	2009 Variance R	2009 Variance %	Explanation of significant variances
Infrastructure							
Construction works	18,596,374		18,596,374	21,851,079	(3,254,705)	(14.89)	Certain contracts in progress
Electricity reticulation	1,120,937		1,120,937	3,450,000	(2,329,063)	(67.51)	Awaiting approval of grant funding
Streetslights							
Buildings	90,088		90,088	1,404,310	(1,314,222)	(93.58)	Awaiting approval of grant funding
Professional fees				100,000	(100,000)	(100.00)	
	19,807,399		19,807,399	26,805,389	(6,997,990)	(26.11)	
Community Assets							
Buildings	533,672		533,672	1,598,578	(1,064,906)	(66.62)	Certain contracts in progress
Furniture	38,000			57,000	(19,000)	(33.33)	
Construction works							
Tools							
	571,672		533,672	1,655,578	(1,121,906)	(67.77)	
Heritage Assets							
Museum exhibits				50,000	(50,000)	(100.00)	No grants were received from Museum Services
				50,000	(50,000)	(100.00)	
Housing Rental Stock							
Leased Assets							
Infrastructure							
Other Assets							
Office and accounting machines	58,462		58,462	410,000	(351,538)	(85.74)	Assisted housing projects erroneously included in capital budget
Tools	299,664		299,664	761,000	(461,336)	(60.62)	
Furniture and fittings	77,845		77,845	97,800	(19,955)	(20.40)	
Radios				20,000	(20,000)	(100.00)	
Machinery	49,812		49,812	69,500	(19,688)	(28.33)	
Buildings	6,347,798		6,347,798	25,219,574	(18,871,776)	(74.83)	
Air conditioners				90,000	(90,000)	(100.00)	
Security measures				405,000	(405,000)	(100.00)	
Vehicles	2,502,501		2,502,501	2,900,000	(397,499)	(13.71)	
	9,336,082		9,336,082	29,972,874	(20,636,792)	(68.85)	
Total	29,715,153		29,677,153	58,483,841	(28,806,688)	(49.26)	

ANNEXURE E

**APPENDIX F
UMVOTI MUNICIPALITY DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA ACT 56 OF 2003
FOR THE YEAR ENDED 30 JUNE 2003**

Description	Name of organ of State	Unspent balance at 1 July 2003 R	Received 2002/2003 R	Expenditure 2002/2003 R	Transfer 2002/2003 R	Unspent balance at 30 June 2003 R	Grants delayed/ withheld R	Reason for delaying/ withholding funds	Compliance with grant conditions YES/NO	Reason for non-compliance
Grants - general	Unspecified	234 635			(234 524)	161	N/A		YES	
M&G grant	Department of Traditional and Local Government Affairs	250 000				250 000	N/A		YES	
M&G	Department of Traditional and Local Government Affairs	2 015 769	12 912 000	10 665 821		4 261 948	N/A		YES	
Cemetery grant	Department of Traditional and Local Government Affairs	161 694				161 694	N/A		YES	
Grant - IDP	Department of Traditional and Local Government Affairs	50 000				50 000	N/A		YES	
Equitable share	National Treasury	5 448 853	5 500 000	7 174 952		3 773 901	N/A		YES	
Grant - library	Library Services	4 641				4 641	N/A		YES	
Grant - tax rank	Department of Traditional and Local Government Affairs	296 217				296 217	N/A		YES	
Finance Management	National Treasury	26 878	500 000	526 878		0	N/A		YES	
Municipal Systems Improvement	Department of Traditional and Local Government Affairs	762 100	735 000			1 497 100	N/A		YES	
LUMS	Department of Traditional and Local Government Affairs	40 595				40 595	N/A		YES	
Municipal Finance Management	National Treasury	228				228	N/A		YES	
Housing plan grant	Department of housing	50 000				50 000	N/A		YES	
Specific program grant	National Treasury	101 367				101 367	N/A		YES	
GuKMA KZN grant	Department of Traditional and Local Government Affairs	12 451				12 451	N/A		YES	
Development of policies	Unizyinh District Municipality	192 982				192 982	N/A		YES	
IDP grant	Unizyinh District Municipality	50 000				50 000	N/A		YES	
Grant - financial plan	Unizyinh District Municipality	50 000				50 000	N/A		YES	
Grant - Phaswe farm	Department of Traditional and Local Government Affairs	160 000				160 000	N/A		YES	
Spatial planning	Department of Traditional and Local Government Affairs		100 000			100 000	N/A		YES	
Management Assistance Project	Department of Traditional and Local Government Affairs		100 000			100 000	N/A		YES	
Library - computer expenses	Department of Traditional and Local Government Affairs		78 900			78 900	N/A		YES	
Corridor development	Department of Traditional and Local Government Affairs	215 295	2 400 000	18 564		2 596 731	N/A		YES	
Estate development	Department of Traditional and Local Government Affairs	294 923		7 880		287 043	N/A		YES	
Storm damage	Department of housing	2 728 000		6 347 798		2 728 000	N/A		YES	
Hotel upgrade	Department of housing	6 113 274			234 524	0	N/A		YES	
		18 259 954	22 325 000	24 741 803	0	16 843 939				

ANNEXURE

F

CHAPTER 5 - FUNCTIONAL SERVICE DELIVERY REPORTING

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Function	Sub-Function	Page
General Information		2
Executive and Council		3
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Community and Social Services	All inclusive	14
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Public Safety	Police (Traffic)	18
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Road Transport	Roads Public Buses	24 26
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Electricity	Electricity Distribution Street Lighting	31 33

Function: Executive and Council
Sub Function: N/A

Reporting Level	Detail	Total	
Overview:	Includes all activities relating to the executive and council function of the municipality including costs associated with mayoral, councillor and committee expenses and governance. Note: remuneration of councillor information should appear in Chapter 4 on <i>Financial Statements and Related Financial Information</i> .		
Description of the Activity:	The function of executive and council within the municipality is administered as follows and includes: <List administration of each function here: this should detail what is offered, and how it is offered to the community> These services extend to include <function/area> , but do not take account The key issues for 200X/0Y are: <List here>		
Analysis of the Function:	<Provide statistical information on (as a minimum).>		
	1 Councillor detail: Total number of Councillors Number of Councillors on Executive Committee	21 3	
	2 Ward detail: Total number of Wards Number of Ward Meetings	110 12	
	3 Number and type of Council and Committee meetings: <List here> List here Council meetings, followed by individual committee and the number of times that each met	<number> 4	

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
<List at least five key performance areas relative to the above function as articulated in the	< List here the actual performance achieved over the financial year, and the variance between performance planned and actual performance, providing an explanation of the variance. Also provide details of any improvements planned for next year.		

Reporting Level	Detail	Total	
6	Property rates (Commercial): - Number and value of properties rated - Number and value of properties not rated - Number and value of rate exemptions - Rates collectible for the current year	2814 195 3	R (000s) R 60,352,100 R 11,976,200 R 56,000.00 11002229.28
7	Regional Service Council (RSC) levies: - Number and value of returns - Total Establishment levy - Total Services levy - Levies collected for the current year	<number>	R (000s) <value> <value> <value> <value>
8	Property valuation: - Year of last valuation - Regularity of valuation	01/01/1997 5 YEARS	
9	Indigent Policy: - Quantity (number of households affected) - Quantum (total value across municipality)	684 R 3,304,387.24	
10	Creditor Payments: <List creditors here> Note: create a suitable table to reflect the five largest creditors individually, with the amount outstanding over 30, 60, 90 and 120 plus days	R (000s) <value>	<age>
11	Credit Rating: <List credit rating details here> List here whether your Council has a credit rating, what it is, from whom it was provided and when it was last updated	R (000s) NONE	<date>
12	External Loans: - Total loans received and paid during the year Note: Create a suitable table to reflect the balance of each external loan at the beginning of the year, new loans raised during the year and loans repaid during the year as well as the balance at the end of the year. Interest rates payable on each loan, together with the date of repayment should be also disclosed in the table.	R (000s) <received> NONE	R (000s) <paid>
13	Delayed and Default Payments: <List delayed and default payments here> List here whether Council has delayed payment on any loan, statutory payments or any other default of a material nature Note: This information need not be reported here if reported as notes to the accounts.	<value> NONE	<date>

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
<List at least five key performance areas relative to the above function as articulated in the budget here>	< List here the actual performance achieved over the financial year, and the variance between performance planned and actual performance, providing an explanation of the variance. Also provide details of any improvements planned for next year.		

Recruitment, skills Audit, Workplace Skills Plan Development, Training & Development	<i>< List here the actual performance achieved over the financial year, and the variance between performance planned and actual performance, providing an explanation of the variance. Also provide details of any improvements planned for next year.</i>		
---	---	--	--

<List at least five key performance areas relative to the above function as articulated in the budget here>	< List here the actual performance achieved over the financial year, and the variance between performance planned and actual performance, providing an explanation of the variance. Also provide details of any improvements planned for next year.		
---	---	--	--

Reporting Level	Detail	Total	
	Note: Figures should be aggregated over year to include building plan approvals only		
7	Type and number of grants and subsidies received: <list each grant or subsidy separately> Note: total value of specific planning and development grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.	<total>	R (000s) <value>

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
1. Infrastructure and services	<i>Basic Services: To eliminate the existing traditional areas electrification backlog by 30% including the new housing projects by the end of 2010</i>	7% of the work achieved in the 1st quarter	10% of the work to be done by the 1st quarter
2. Financial Viability	<i>Cost Recovery: Budget/IDP alignment</i>	1 Approved 2009/2010 budget	1 approved 2009/2010 budget
3. Democracy and Government	<u>Ward Committees:</u> 1. Number of ward committees established: 11 2. number of ward committees trained	All have been trained	All ward committee
4. Social Infrastructure and Economic Development	<u>LED:</u> 1. Adopt Local Economic Development 2. To promote economic development through tourism within the municipality	Service Provider has been appointed to undertake the process and will be completed in February 2010 None	Plan to be adopted in this financial year. None
5. Transformation and Institutional Development	<u>Employment Equity:</u> To review the 2006 Employment Equity Plan	20% of the work done by 2nd Quarter	Adopt and submit the plan to the department of labour

Description of the activity:

1. Access of information

Members and non- members are allowed to access information from reference books, internet and newspaper cuttings.

2. Block Loans

Provision is made for schools to have block loans supplied to their schools.

A service is provided to the Old Age home weekly.

3. Internet

The public is has access to the internet.

4. Photo – Copping

The community is allowed to make copies from any library material.

5. Requesting of books, compact disc's , videos and D.V.D.'s

Members are allowed to request books, compact discs, videos, and D.V.D's from the Central Reference Library.

6. Block loan requests

Educators are allowed to request block loans from the Central Reference Library. Block loans are requested according to a specific subject.

7. Hiring of the activity room

The community is allowed to hire the activity room for functions and meetings.

8. Study Area

Members and users are provided with studying area.

9. Issuing of library material

Members are allowed to borrow books, periodicals, compact discs, D.V.D's, videos and audio books.

10. Examination preparation

We assist Grade 12 to prepare for their examinations.

Download exemplar papers for revision. Request relevant books and order set work DVD's.

FACILITIES PROVIDED.

1. Photo – Copping	5000
2. Internet	1500
3. Requests: Books	350
Videos & D.V.D's	125
Audio books	105
4. Circulation material: Books	40 468
Audio visual material	3248

Function:	Community and Social Services
Sub Function:	All inclusive

Reporting Level	Detail	Total	
Overview:	Includes all activities associated with the provision of community and social services		
Description of the Activity:	The function of provision of various community and social services within the municipality is administered as follows and includes: <List administration of each function here: this should detail what is offered, and how it is offered to the community> These services extend to include <function/area> , but do not take account of <function/area> which resides within the jurisdiction of <national/provincial/other private sector> government. The municipality has a mandate to: <List here> The strategic objectives of this function are to: <List here> The key issues for 200X/0Y are: <List here>		
Analysis of the Function:	<Provide statistical information on (as a minimum):> 1 Nature and extent of facilities provided: - Library services - Museums and art galleries - Other community halls/facilities - Cemeteries and crematoriums - Child care (including creches etc) - Aged care (including aged homes, home help) - Schools - Sporting facilities (specify) - Parks Note: the facilities figure should agree with the assets register 2 Number and cost to employer of all personnel associated with each community services function: - Library services - Museums and art galleries - Other community halls/facilities - Cemeteries and crematoriums - Child care - Aged care - Schools - Sporting facilities - Parks Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package 6 Total operating cost of community and social services function	no of facilities: <number> <number> <number> <number> <number> <number> <number> <number> <number> <sq km>	no of users: <number> <number> <number> <number> <number> <number> <number> <number> <number> R(000s) <cost> <cost> <cost> <cost> <cost> <cost> <cost> <cost> <cost> <cost> R (000s)

Function:	Housing
Sub Function:	N/A

Reporting Level	Detail	Total	
Overview:	Includes all activities associated with provision of housing		
Description of the Activity:	The function of provision of housing within the municipality is administered as follows and includes: <List administration of each function here: this should detail what is offered, and how it is offered to the community> These services extend to include <function/area> , but do not take account of <function/area> which resides within the jurisdiction of <national/provincial/other private sector> government. The municipality has a mandate to: <List here> The strategic objectives of this function are to: <List here> The key issues for 200X/0Y are: <List here>		
Analysis of the Function:	<Provide statistical information on (as a minimum):> 1 Number and cost of all personnel associated with provision of municipal housing: - Professional (Architects/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package. Professional includes project design, Field includes all tradespersons. 2 Number and total value of housing projects planned and current: - Current (financial year after year reported on) - Planned (future years) Note: provide total project and project value as per initial or revised budget 3 Total type, number and value of housing provided: <list details by type of dwelling, see below> Note: total number and total value of housing provided during financial year 4 Total number and value of rent received from municipal owned rental units <list details, including number of units handed over to residents> 5 Estimated backlog in number of (and costs to build) housing: <list details by type of dwelling, see below> Note: total number should appear in IDP, and cost in future budgeted capital housing programmes 6 Type of habitat breakdown: - number of people living in a house or brick structure - number of people living in a traditional dwelling - number of people living in a flat in a block of flats - number of people living in a town/cluster/semi-detached group dwelling - number of people living in an informal dwelling or shack - number of people living in a room/flatlet	R (000s) <total> <total> <total> <total> <total> <total> <cost> <cost> <cost> <cost> <cost> <cost> R (000s) <total> <total> <value> <value> R (000s) <total> <value> R (000s) <total> <cost> <total> <total> <total> <total> <total> <total>	R (000s) <cost> <cost> <cost> <cost> <cost> <cost> R (000s) <value> <value> R (000s) <value> R (000s) <cost>

Function:	Public Safety
Sub Function:	Police (Traffic)

[illegible]

Function:	Waste Management
Sub Function:	Solid Waste

Reporting Level	Detail	Total	
Overview:	Includes refuse removal, solid waste disposal and landfill, street cleaning and recycling		
Description of the Activity:	The refuse collection functions of the municipality are administered as follows and include: Collection of domestic refuse - bi-weekly and Commercial refuse collection - Daily These services extend to include <function/area> , but do not take account of <function/area> which resides within the jurisdiction of <national/provincial/other private sector> government. The municipality has a mandate to: <List here> The strategic objectives of this function are to: Review waste management plan, refuse truck purchased The key issues for 2009/10 are: Establishment of landfill site for Umyoti		
Analysis of the Function:	<Provide statistical information on (as a minimum)> 1 Number and cost to employer of all personnel associated with refuse removal: - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package 2 Number of households receiving regular refuse removal services, and frequency and cost of service: - Removed by municipality at least once a week - Removed by municipality less often - Communal refuse dump used - Own refuse dump - No rubbish disposal Note: if other intervals of services are available, please provide details 3 Total and projected tonnage of all refuse disposed: - Domestic/Commercial - Garden Note: provide total tonnage for current and future years activity 4 Total number, capacity and life expectancy of refuse disposal sites: - Domestic/Commercial (number) - Garden (number) Note: provide the number of tip sites, their total current capacity and the expected lifespan as at end of reporting period	R (000s) 1 <cost> 2 <cost> <total> <cost> <total> <cost> 117 <cost> <total> <cost> 2626 233484 <total> <cost> 1 <cost> 1 0 11,941,200 <future> 650,000 p/m <future> 100years 100 years 2010 40 years	

Function:	Waste Water Management
Sub Function:	Sewerage etc

Reporting Level	Detail	Total	Cost
Overview:	Includes provision of sewerage services not including infrastructure and water purification, also includes toilet facilities		
Description of the Activity:	The sewerage functions of the municipality are administered as follows and include: <List administration of each function here: this should detail what is offered, and how it is offered to the community> These services extend to include <function/area> , but do not take account of <function/area> which resides within the jurisdiction of <national/provincial/other private sector> government. The municipality has a mandate to: <List here> The strategic objectives of this function are to: <List here> The key issues for 200X/0Y are: <List here>		
Analysis of the Function:	<Provide statistical information on (as a minimum)> 1 Number and cost to employer of all personnel associated with sewerage functions: - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package 2 Number of households with sewerage services, and type and cost of service: - Flush toilet (connected to sewerage system) - Flush toilet (with septic tank) - Chemical toilet - Pit latrine with ventilation - Pit latrine without ventilation - Bucket latrine - No toilet provision Note: if other types of services are available, please provide details 3 Anticipated expansion of sewerage: - Flush/chemical toilet - Pit latrine - Bucket latrine - No toilet provision Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality 4 Free Basic Service Provision: - Quantity (number of households affected) - Quantum (value to each household)	R (000s) <total> <total> <total> <total> <total> <total> R (000s) <total> <total> <total> <total> <total> <total> <total> R (000s) <total> <total> <total> <total> <total> <value>	<cost> <cost> <cost> <cost> <cost> <cost> <cost> <cost> <cost> <cost> <cost> <cost> <cost> <cost> <cost> <cost> <cost>
Reporting Level	Detail	Total	Cost

Function:	Road Transport
Sub Function:	Roads

Reporting Level	Detail	Total	Cost
Overview:	Construction and maintenance of roads within the municipality's jurisdiction		
Description of the Activity:	The road maintenance and construction responsibilities of the municipality are administered as follows and include: <i><List administration of each function here: this should detail what is offered, and how it is offered to the community> Tarred Roads are maintained by patching potholes with cold premix; Yearly capital budget are allocated to reconstruct or rehatate road; Verge are repaired with material in town; In the rural areas grant funding is received to construct gravel roads.</i> These services extend to include <i><function/area></i> , but do not take account of <i><function/area></i> which resides within the jurisdiction of <i><national/provincial/other private sector></i> government. The municipality has a mandate to: <i>Repairs are undertaken on domestic access roads</i> The strategic objectives of this function are to: <i>Coordinating, planning and managing civil projects</i> The key issues for 2009/10 are: <i>To resurface tarred roads and construct gravel roads in the rural areas; To compile a database of all roads within Umvoti Local Municipality, which will provide, interlia, for each road:</i> • <i>Location</i> • <i>Name</i> • <i>GIS definition of start and end points</i> • <i>Length</i> • <i>Width</i> • <i>Standard (surfaced, gravel & track)</i> • <i>Storm water management facilities (side drains, culvert, pipes)</i> • <i>Traffic loading</i>		
Analysis of the Function:	<i><Provide statistical information on (as a minimum).></i> 1 Number and cost to employer of all personnel associated with road maintenance and construction: - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package 2 Total number, kilometres and total value of road projects planned and current: - New bitumenised (number) - Existing re-tarred (number) - New gravel (number) - Existing re-sheeted (number) Note: if other types of road projects, please provide details 3 Total kilometres and maintenance cost associated with existing roads provided	1 none 2 3 7 <total>	R (000s) <cost> <cost> <cost> 272 288 130 000 <cost> R (000s) 2509500 300000 5303796 3159120 R (000s)

Reporting Level	Detail	Total	Cost
	Note: total number should appear in IDP, and cost in future budgeted road construction programme		
6	Type and number of grants and subsidies received: Equitable Share grant and MIG funding	2	R (000s) 13363000
	Note: total value of specific road grants actually received during year to be recorded over the five quarters - MIG Allocation :- Apr to Jun R5.5 mil, Jul to Sep R3 mil, Oct to Dec R1.7 mil, Jan to Mar R433162.12. Equitable Share Allocation :- Jul to Sep R682 500, Oct to Dec R682 500, Jan to Mar R682 500, Apr to June R682 500		
7	Total operating cost of road construction and maintenance function (Town)		R869 773.00

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
<List at least five key performance areas relative to the above function as articulated in the budget here>	< List here the actual performance achieved over the financial year, and the variance between performance planned and actual performance, providing an explanation of the variance. Also provide details of any improvements planned for next year.		

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
<List at least five key performance areas relative to the above function as articulated in the budget here>	< List here the actual performance achieved over the financial year, and the variance between performance planned and actual performance, providing an explanation of the variance. Also provide details of any improvements planned for next year.		

Reporting Level	Detail	Total	Cost
6	Number of households with water service, and type and cost of service: - Piped water inside dwelling - Piped water inside yard - Piped water on community stand: distance < 200m from dwelling - Piped water on community stand: distance > 200m from dwelling - Borehole - Spring - Rain-water tank Note: if other types of services are available, please provide details	<total> <total> <total> <total> <total> <total> <total>	R (000s) <cost> <cost> <cost> <cost> <cost> <cost>
7	Number and cost of new connections: <detail total>	<number>	R (000s) <cost>
8	Number and cost of disconnections and reconnections: <detail total>	<number>	R (000s) <cost>
9	Number and total value of water projects planned and current: - Current (financial year after year reported on) - Planned (future years) Note: provide total project and project value as per initial or revised budget	<total> <total>	R (000s) <cost>
10	Anticipated expansion of water service: - Piped water inside dwelling - Piped water inside yard - Piped water on community stand: distance < 200m from dwelling - Piped water on community stand: distance > 200m from dwelling - Borehole - Spring - Rain-water tank Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality	<total> <total> <total> <total> <total> <total> <total>	R (000s) <cost> <cost> <cost> <cost> <cost> <cost>
11	Estimated backlog in number (and cost to provide) water connection: - Piped water inside dwelling - Piped water inside yard - Piped water on community stand: distance < 200m from dwelling - Piped water on community stand: distance > 200m from dwelling - Borehole - Spring - Rain-water tank Note: total number should appear in IDP, and cost in future budgeted capital housing programmes	<total> <total> <total> <total> <total> <total> <total>	R (000s) <cost> <cost> <cost> <cost> <cost> <cost>
12	Free Basic Service Provision: - Quantity (number of households affected) - Quantum (value to each household) Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided.	<total> <value>	
13	Type and number of grants and subsidies received: <list each grant or subsidy separately> Note: total value of specific water grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.	<total>	R (000s) <value>
14	Total operating cost of water distribution function		R (000s)

Function:	Electricity
Sub Function:	Electricity Distribution

Reporting Level	Detail	Total	Cost
Overview:	Includes the bulk purchase and distribution of electricity		
Description of the Activity:	The electricity purchase and distribution functions of the municipality are administered as follows and include: A distribution network of 11Kv feeders with 66 transformers distributing electricity to residence and businesses to town and Enhlalakahle. Conventional metering is used primarily for business and domestic uses, with prepaid metering for the indigent at present. These services extend to include electricity supply to Greytown and Enhlalakahle township, but do not take account of any area outside but within the Umvoti Municipal area which resides within the jurisdiction of (eskom) government. The municipality has a mandate to: supply the free basic electricity through Eskom within the Umvoti Municipal Area <List here> The strategic objectives of this function are to: Supply a sustainable electricity supply to the community within Greytown town area The key issues for 2009/10 are: To connect as many indigent customers as possible to the system to benefit from the Central Government plan for free basic services		
Analysis of the Function:	<Provide statistical information on (as a minimum):> 1 Number and cost to employer of all personnel associated with the electricity distribution function: - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) 10 - Office (Clerical/Administration) 1 - Non-professional (blue collar, outside workforce) 1 - Temporary - Contract Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package. 2 Total quantity and cost of bulk electricity purchases in kilowatt hours and rand, by category of consumer - Residential - Commercial - Industrial - Mining - Agriculture - Other 3 Total quantity and receipts for bulk electricity sales in kilowatt hours and rand, by category of consumer: - Household - Commercial - Industrial - Mining - Agriculture - Other 4 Total year-to-date electricity losses in kilowatt hours and rand	<total> <total> <total> <total> <total> <total> 38.91 MWh 18.33MWh 8.8 MWh 10.25 MWh 1.53 MWh <volume> <volume> <volume> <volume> <volume> <volume>	R 2,575,600.00 R 350,000.00 R 1,534,100.00 R 366,700.00 R 124,800.00 R 200,000.00 R 0.00 R 16,295,000.00 R 7,400,000.00 R 4,300,000.00 R 4,353,000.00 R 750,000.00 R (000s) <cost> <cost> <cost> <cost> <cost> <cost> R (000s)

Reporting Level	Detail	Total	Cost
	- Electrified areas		
	- Municipal	<total>	<cost>
	- Eskom	<total>	<cost>
	- Alternate energy source		
	- Gas	<total>	0
	- Paraffin	<total>	0
	- Solar	<total>	0
	- Wood	<total>	0
	- Non electrified	<total>	0
	Note: if other types of services are available, please provide details		
6	Number and cost of new connections:		R (000s)
	<detail total>	12	R 32,000.00
7	Number and cost of disconnections and reconnections		R (000s)
	<detail total>	?	?
8	Number and total value of electrification projects planned and current:		R (000s)
	- Current (financial year after year reported on)	4	R 2,500,000.00
	- Planned (future years)	5	R 5,000,000.00
	Note: provide total project and project value as per initial or revised budget		
9	Anticipated expansion of electricity service:		R (000s)
	<detail total>	<total>	<cost>
	Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality		
10	Estimated backlog in number (and cost to provide) water connection:		
	<detail total>	?	?
	Note: total number should appear in IDP, and cost in future budgeted capital housing programmes		
11	Free Basic Service Provision:		
	- Quantity (number of households affected)	650	R 13,320.00
	- Quantum (value to each household)	R250-00 PA	
	Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided.		
12	Type and number of grants and subsidies received:		R (000s)
	<list each grant or subsidy separately>	?	?
	Note: total value of specific electricity grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.		
13	Total operating cost of electricity distribution function		R (000s)

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
<List at least five key performance areas relative to the above function as articulated in the budget here>	< List here the actual performance achieved over the financial year, and the variance between performance planned and actual performance, providing an explanation of the variance. Also provide details of any improvements planned for next year.	?	?

